

**United Nations
Development Programme**Distr.
GENERALDP/1983/ICW/6
22 December 1982

Original: ENGLISH

GOVERNING COUNCIL
INTERSESSIONAL COMMITTEE OF THE WHOLE
Second session
9-11 February 1983, New York
Agenda item 5 (b)

ARRANGEMENTS FOR THE EVALUATION OF THE RESULTS AND
OF THE EFFECTIVENESS OF THE PROGRAMME

Note by the Administrator

S u m m a r y

In the recent past Governments have shown increasing concern about the effectiveness and impact of development co-operation. The Governing Council has expressed the wish to be better informed about the results of the Programme's activities and has recognized that this has an important bearing on the mobilization of resources. Consequently, the Council has welcomed the Administrator's initiative to study further improvement in the UNDP system of evaluation.

After an analysis of the concepts used in evaluation and of current problems in conducting evaluation exercises, measures are identified to improve evaluation taking account of the tripartite nature of the Programme. They include clearer instructions, a more vigorous feedback system, strengthening existing project and thematic evaluations, introducing ex post evaluations and terminal assessments, and more systematic analysis and use of the results to improve current and future operations and to inform the Governing Council about the effectiveness and impact of the Programme. After discussing alternative organizational arrangements the Administrator proposes the establishment of a central evaluation unit reporting to him. The cost of the unit when fully operational would be about \$1.5 million annually (compared with about \$500,000 now spent on central evaluation work). It is recommended that the unit be established gradually so that the additional cost in 1984/85 would be about \$300,000 annually.

In addition, the External Auditors and the Joint Inspection Unit could be requested to provide independent information on the results of the Programme directly to the Council; or the Council may wish to establish its own evaluation unit.

C O N T E N T S

	Paragraphs	Page
INTRODUCTION	1 - 5	3
I. CONCEPTS AND TERMINOLOGY	6 - 13	4
II. COSTS AND BENEFITS OF EVALUATION	14 - 17	7
III. STATUS OF EVALUATION IN UNDP	18 - 38	8
A. Development of evaluation in UNDP	18 - 20	8
B. Outline and general character of the present system of evaluating UNDP-assisted projects and programmes	21 - 38	10
(i) The role of recipient Governments	22 - 26	10
(ii) The role of the executing agencies	27 - 30	11
(iii) The role of UNDP	31 - 38	12
IV. PROPOSALS FOR IMPROVEMENT OF THE EVALUATION SYSTEM IN UNDP	39 - 57	14
A. Procedures and organization of monitoring, tripartite reviews and evaluation, including feedback of results	45 - 47	16
B. Better integration of design, appraisal and evaluation aspects of the project cycle	48 - 49	18
C. Tripartite terminal assessment reviews	50	18
D. Introduction of <u>ex post</u> project evaluations ...	51	18
E. Annual assessment of the results of tripartite reviews and evaluation	52	19
F. Broadening the framework of thematic evaluations	53	19
G. Systematic staff training in evaluation	54	19
H. Collaboration with the agencies	55	20
I. Co-operation with recipient Governments in evaluation efforts	56	20
J. Systematic information of the Governing Council	57	20
V. ORGANIZATIONAL ARRANGEMENTS FOR THE IMPROVEMENT OF THE EVALUATION SYSTEM IN UNDP	58 - 63	21
VI. A CENTRAL EVALUATION UNIT	64 - 68	23
VII. EVALUATION DIRECTED BY THE GOVERNING COUNCIL	69 - 72 /...	25

INTRODUCTION

1. In recent years there has been a resurgence of interest in the evaluation of development assistance. This trend has been relevant for UNDP, and indeed for the whole United Nations system, as is evident from discussions in the Governing Council of UNDP, the Committee for Programme and Co-ordination (CPC) and the governing bodies of many of the United Nations agencies and organizations. Similar interest has been shown in discussions in the Development Assistance Committee of the Organization for Economic Co-operation and Development (OECD), which has been examining the experience with evaluation of its members' bilateral programmes.

2. Several reasons account for this rekindled interest. One is a general uneasiness about the results of development assistance after several decades of effort and a concern that the quality of assistance programmes is not consistently high. The Council has expressed a wish to be better informed on these matters. The budgetary constraints experienced by many donor Governments are another reason. This has led Governments and legislators to examine very closely the appropriations for development budgets, including contributions to the multilateral development system. Similarly, the growing scarcity of development resources, both internal and external, has made recipient Governments concerned about obtaining the maximum return from their own expenditure for development as well as from external assistance. Furthermore, some developing countries are increasingly becoming net donors to the Programme, while others contribute heavily to UNDP-assisted projects in their own country. This situation enlarges the importance of evaluation as a means of improving the effectiveness of the Programme and thus of justifying financial contributions for development co-operation.

3. UNDP operations cover a very large number of projects in virtually all developing countries and nearly every facet of economic and social development. Furthermore, the organizational structure of UNDP is highly decentralized. Operations are usually entrusted to the specialized agencies for execution and much of the decision-making in projects is delegated to field offices. Such a structure makes evaluation a more complex task than in the case of highly centralized or specialized institutions, and this makes it difficult to analyze and describe in a precise fashion the process and results of its activities. Nevertheless, given the accountability of the Administrator for the Programme, it is necessary for him to analyze and report critically on its results, both to keep the Governing Council well-informed and to enable him to apply the lessons of experience in improving future operations.

4. A considerable amount of evaluation work is being carried out by UNDP and its partners. There is continuous reporting of progress in projects which, through built-in self-evaluation, provides an important input into the evaluative effort in general (see paragraphs 10, 27, 31-32). In addition to such reporting, there are in-depth evaluations of individual projects which concentrate on results and on the implementation difficulties encountered (see paragraphs 7-8, 13, 15, 28, 33-34). However, there is no central mechanism for reviewing systematically the over-all results of this work and ensuring that the lessons learned are applied effectively throughout the Programme, with the exception of thematic evaluations which have been carried out recently to assess the over-all results within certain sub-sectors (see paragraphs 20, 35-38).

5. In decision 82/15, the Governing Council welcomed the initiative of the Administrator to study a further improvement in the system of evaluation, including the possible establishment of an independent evaluation unit, and invited him to submit relevant proposals to the thirtieth session of the Council. This paper examines the present evaluation system of UNDP and makes a number of proposals towards its improvement. Its conclusions are threefold in nature:

(a) Evaluation in UNDP should, as in the past, be one of the major means to improve, in close collaboration with the executing agencies, the performance of the Programme, so as to enhance the quality of its ongoing activities as well as provide an important instrument for future decision-making. Raising the quality of the Programme in this direct manner will be in the interest of all Governments, especially recipient Governments (cf. paragraphs 22-26 and 56), and should go a long way to attenuate the misgivings mentioned above;

(b) But beyond that, the measures suggested in chapter IV will serve the Governing Council, as for the first time a comprehensive system of information about the achievements of the Programme will be available through:

- (i) An annual assessment report of evaluation results;
- (ii) Summaries of individual project evaluations (paragraph 52);
- (iii) Thematic evaluations (paragraph 53);
- (iv) Special studies initiated by the Governing Council itself (paragraph 57).

Such information, compiled on the basis of independent research, could serve as a useful input into Council debates about the Programme's achievements and future policies;

(c) There are at present at the disposal of Governments instruments such as the external auditors and the Joint Inspection Unit (JIU) which have not been utilized in the past for the specific purposes of informing the Council about substantive achievements of the Programme. Apart from this, the Council could, if it so wished, establish a unit of its own which could be structured along the lines of JIU, utilizing as far as possible the statute given to that unit by the General Assembly in 1976.

I. CONCEPTS AND TERMINOLOGY

6. Discussions on the effectiveness and impact of development activities are often complicated by differing conceptual approaches to the subject of evaluation and by varying interpretations of the terminology used. It is therefore useful to set out the more important concepts and terms utilized in this paper. In order to promote better understanding of this difficult area, JIU published in 1978 a "Glossary of Evaluation Terms", (JIU/REP/78/5) which has been broadly accepted by member organizations of the United Nations system. The principal concepts and definitions which follow, therefore, draw heavily on that document.

7. Evaluation can be defined as a process which attempts to determine as systematically and objectively as possible the relevance, effectiveness and impact of activities in the light of their objectives, i.e. their aims and purposes. It is thus concerned essentially with the outputs and results of the activity, rather than with the inputs or administrative and financial aspects. Evaluation defined in this way corresponds to current UNDP usage, which describes an evaluation as a "critical examination of an ongoing or completed project's design, experience, results and actual or potential effectiveness".^{1/} Evaluation in this sense is both a learning and action-oriented management tool and a process to improve future planning and decision-making; in this latter capacity, it goes far beyond rectifying a project's deficiencies and contributes to the design of new projects and even to the formulation of development policy in general.

8. Purposes of evaluation: Much confusion has been created about the purposes of evaluation by the rather ambiguous use of such terms as impact, effectiveness, efficiency, relevance. For the purposes of the present report, and as indicated above, evaluation is defined as determining the relevance, effectiveness and impact of an activity. In this context, relevance relates to the degree to which an activity is potentially important with regard to longer-range objectives of development, while impact is an expression of the changes actually produced as the result of an activity which has been undertaken. Effectiveness denotes how well a project has achieved its objective either as compared to its original objective (as defined through its design) or to similar undertakings or accepted norms. An analysis of efficiency shows how well the activity was managed, i.e. how productive it was in combining inputs (such as manpower, equipment, training etc.) to produce the desired output, enabling it to reach its objectives. It is obvious that even the most refined analysis in terms of the above-mentioned concepts is wasted if it is not applied to improve either the current management of a project or affect future decision-making along the lines shown by evaluation. Therefore, a proper feedback mechanism is essential in any evaluation effort.

9. Evaluation should be clearly distinguished from appraisal which, although similar in its approach, takes place at a different point in time. Appraisal is a critical assessment of the potential value of an activity before a decision is made to undertake it, whereas evaluation takes place during or after the implementation of an activity. In spite of this difference in function, the concepts are closely connected with each other as the design of a project is determined during the appraisal stage. It has been found in many evaluations that one of the major deficiencies of technical co-operation was the low quality of project design leading to a waste of financial and human resources on the part of both the United Nations system and of the recipient countries. In fact, project design has been so poor in a number of cases, that the projects could hardly be evaluated. This has been so in spite of the fact that guidelines for project design have been in effect for a number of years. The importance of design for the effectiveness of projects cannot be over-emphasized and is dealt with at greater length in paragraphs 48-49.

10. Monitoring is the continuous oversight of an activity during its implementation to ensure that operations proceed in accordance with the design of the project as originally formulated or as revised. Its purpose is

/...

to identify and promote the necessary actions to improve the implementation of the project, and it is usually carried out by persons responsible for managing or overseeing the project. UNDP has for several years used tripartite reviews not only to provide an opportunity to reinforce formal monitoring, but also to apply a form of built-in evaluation that is based on a given choice and design of a project. As tripartite reviews are an integral part of the management of a project, they are usually conducted by staff directly involved in the project or supervising it.^{2/} They represent therefore an internal mechanism which serves to improve project operations as part of the daily responsibilities of the parties involved in project management and monitoring. They may lead to more intensive forms of evaluation which will also question the basic decisions to undertake the project as well as its design. They are performed by independent consultants and by staff outside the project and may thus be classified as external evaluations.

11. Independence and objectivity of evaluation: Discussions of the quality of evaluation have frequently centred around the degree of its objectivity or truthfulness. It has been assumed by many that the more external an evaluation is to operational responsibility, the better it will be. Quite apart from the vague meaning of terms such as "objectivity" and "truthful", this view of evaluation associates it more with audit and control than with proper planning and decision-making. Instead of contrasting internal and external evaluation, the issue should be the achievement of a proper blend of objectivity and a capacity for effective feedback. While evaluation that is external and thus "objective" may have very little influence on the course of events, since it is not carried out by those responsible for operations, purely internal evaluation, even if completely honest, may lack the vision that results when an activity has been examined externally.^{3/} UNDP has relied in the past on a very strong element of built-in evaluation through tripartite reviews without relinquishing external evaluation by outside experts and headquarters staff not associated with project responsibility, e.g. through in-depth and thematic evaluations.

12. In addition to distinguishing between appraisal and evaluation, evaluation can further be differentiated according to when it takes place. Evaluation can either be ongoing, i.e. conducted while the activity is in progress; terminal, i.e. performed as the activity is about to be completed; or ex post, i.e. performed at some appropriate time (several years) after the activity has been completed in order to assess its medium or long-term impact. In UNDP practice, tripartite reviews and in-depth project evaluations tend to be ongoing or are conducted towards the end of a project, usually when a subsequent phase is under consideration. Terminal reports by agencies and the Resident Representative's terminal assessment reports, if properly prepared, provide for built-in terminal evaluations, but this process is very cumbersome and often leads to delays in submission of reports. Ex post evaluation has not been carried out except through thematic evaluations which are based on both ongoing and completed projects.

13. Evaluation can also be classified by the type of activity examined. While most evaluations relate to projects, such as the tripartite reviews and in-depth evaluations conducted by UNDP, it is also essential to evaluate processes, institutions and programmes of co-operation. Evaluations of these types may examine groups of projects in a certain sector or

/...

sub-sector, allowing conclusions to be made that are based on broad project experience in one or several countries. Such evaluations may also analyze modalities or institutional aspects of co-operation and, in their most complex form, the experience of UNDP assistance for an entire country or region. Only a few country evaluations have been carried out in the past fifteen years, because the methodology of evaluating the experience of whole country programmes has not been well-developed. The experience with this type of evaluation has been mixed. The thematic evaluations conducted thus far by UNDP were mostly concerned with sectoral aspects, but special studies concerning certain modalities, e.g. Government execution or the experience with country programming, have also been undertaken.

II. COSTS AND BENEFITS OF EVALUATION

14. It is undeniable that evaluation has a cost, both in terms of human and financial resources. It is therefore no surprise to find that evaluation is sometimes considered to be of doubtful value because the resources could be better used to finance directly additional co-operation activities. This view stems either from a failure to appreciate that evaluation and monitoring are normal management tools that provide an essential basis for decision-making, or from a feeling that the results of evaluation are not in fact utilized adequately in the decision-making process, or, finally, from the view that evaluation is a dubious process, often poorly performed. At any rate, given the cost of evaluation, there is a compelling case for ensuring that it is conducted efficiently and that the results are fed back into the decision-making process.

15. On the other hand, the cost of evaluation must also be seen in relation to project expenditure. In UNDP experience, the direct cost of a project evaluation mission is about \$10,000. For a small-scale project with a UNDP contribution of \$400,000, this represents 2.5 per cent of the budget. UNDP now requires mandatory evaluation of all projects with a UNDP contribution of over \$1 million, in which case an evaluation mission would cost one per cent of the budget or less. These costs may be included in the project budget. As an alternative, the Governing Council has recommended in decision 81/21 that a share of 0.5 per cent of country indicative planning figures (IPFs) can be reserved for evaluations. In addition to the direct cost of project evaluation, there is also the cost of thematic evaluations, including personnel engaged primarily in this type of evaluation work. The central evaluation unit proposed in section VI of this paper could eventually cost in the order of \$1.5 million annually, including the present cost to UNDP of conducting thematic evaluations. This amounts to resources in the order of 0.25 per cent of the total cost to UNDP of the programme delivered.

16. There is an additional burden in project evaluation which is difficult to assess but which should not be overlooked. The organizational and logistic effort required on the part of Governments, agencies and UNDP to plan and carry out evaluations is considerable. Staff time at headquarters and in the field has to be devoted to planning, preparing terms of reference, selecting members of the evaluation team, and participating in their work. As already observed, however, this effort should be regarded as a normal

/...

management function. The bulk of the work, especially for built-in evaluation, should be carried out by staff already in place. The total cost of evaluation to UNDP then, including work at headquarters and the field offices, as well as consultants hired for central evaluations, as outlined in this paper, would be in the range of 1 to 2 per cent of the funds expended on the field programmes, the major part of which would come from the administrative budget (including staff time).

17. Development is intrinsically a high-risk enterprise. Without evaluation, the Programme would not be able to learn from its experience. It would run the risk of repeating mistakes and would lack cohesiveness and direction. Evaluation is the only management tool available in which data are assembled and analyzed from the point of view of the effectiveness and impact of a project. Not only does it document project results, it also analyses the causes of success and failure and seeks to present the conclusions in ways that can be used to improve the future design and management of projects. The results in terms of improved decision-making and the enhanced quality of UNDP activities should compensate for the outlay many times over. In fact, the cost of the entire evaluation effort would be recovered if, among the more than one thousand major projects, each year only half a dozen that were not meeting their objectives or had major shortcomings could be redirected or discontinued so that the funds could be used for more promising activities.

III. STATUS OF EVALUATION IN UNDP

A. Development of evaluation in UNDP

18. Evaluation activities have been undertaken by UNDP since its inception, following a tradition established by its predecessor organizations, the United Nations Special Fund and the Expanded Programme of Technical Assistance (EPTA). When UNDP was created in 1966, evaluation tended to focus more on problems of project implementation than on outputs and the achievement of objectives. The Capacity Study in 1969 noted that these evaluations were frequently sporadic and disjointed; that they were not always carried out by the most qualified people and did not conform to any generally accepted methods, criteria or terminology, and thus did not always yield the desired results.^{4/} This lack of an orderly and co-ordinated approach led the Capacity Study to recommend strongly that UNDP develop more effective evaluation machinery, both for built-in operational control of projects and programmes and for a systematic analysis and assessment of the results achieved. The Capacity Study further proposed the creation of a special inspection and evaluation unit at headquarters which would have over-all responsibility for the assessment of project and programme results. This particular recommendation was not incorporated into the Consensus approved by the Governing Council in 1970. On the contrary, evaluation did not have a high profile in the Consensus. Resident Representatives were given responsibility for the monitoring of project assistance at the country level for purposes of operational control. Evaluations were to be done only with the agreement of the Government concerned, conducted jointly by the Government, UNDP and the agencies on a selective basis and restricted to the minimum essential for the improvement or follow-up of projects, for the needs of Governments and for the improvement of the Programme.^{5/}

19. After the Consensus of 1970, responsibility for evaluation at the headquarters level was adjusted in line with the steps taken to decentralize programme management. The previously existing evaluation division, which had six professional staff, was disbanded and the evaluation function was integrated with the other duties of the Programme Policy and Planning staff. Responsibility for organizing individual project evaluations was shifted to the Resident Representatives under the over-all supervision of the Regional Bureaux. The focus of the evaluation functions of the central staff was directed to the further development of methodology and techniques of evaluation, the assessment of groups of projects in selected fields, and the planning of country-wide evaluations. By 1973, revised procedures for the monitoring and evaluation of projects were completed, and in 1975 they were incorporated into the Policies and Procedures Manual.

20. A further shift in emphasis in UNDP evaluation work took place during 1976. In contrast to an almost exclusive former concern with project management, attention was now paid to project outputs and achievements. At this time, UNDP headquarters also initiated "programme" evaluations, later called "thematic" evaluations. These examined the experience of the system in specific economic sectors or in various processes or modalities of delivering technical cooperation. The introduction of the thematic evaluation programme was accompanied by a realignment of functions within the Bureau for Programme Policy and Evaluation (BPPE), which had been established in 1976. The responsibility for evaluation at UNDP headquarters was transferred from the Bureau's policy staff to the Technical Advisory Division, and the latter was re-named the Division for Programme Development, Support and Evaluation. The Division was reduced in size from 22 technical advisers to 14, who take the lead in the individual thematic evaluations in their respective fields of competence, as well as participate in project evaluations in the field at the request of the Regional Bureaux. This is in addition to their main functions of providing technical services to the Regional Bureaux and to special-purpose funds for project appraisal, participating in certain tripartite reviews, and assisting with general technical advice and problem-solving. One of the technical advisers serves as evaluation officer to advise on evaluation methodology.

B. Outline and general character of the present system of
evaluating UNDP-assisted projects and programmes

21. Evaluation in UNDP must be seen as an integral part of the accountability of the Administrator for the proper management of all aspects of the Programme. In the exercise of this essential function, the Administrator relies on the close co-operation of Governments and executing agencies. This tripartite character of the UNDP system of evaluation reflects the fact that all UNDP-assisted projects are undertakings of the recipient Governments to which UNDP contributes external funds and advice, and that over 90 per cent are implemented by the 27 executing agencies of the United Nations system. It further reflects a constitutional principle of the Consensus, as noted above, that evaluation will be jointly carried out by the Government, UNDP and the United Nations agency concerned. The character of the UNDP evaluation system was further developed by Governing Council decision 75/34 on new dimensions in technical co-operation (twentieth session) and decision 77/47 on the role and activities of UNDP (twenty-fourth session). While the

former decision stressed that technical co-operation should be seen in terms of output or results to be achieved rather than in terms of input, i.e. expert-years, equipment used and other resources, the latter requested the Administrator to consolidate, in full co-operation with the participating and executing agencies, the planning, appraisal and evaluation functions into a comprehensive system of analysis and feedback. Indeed, many agencies have given increased attention to the development of the evaluation function, and several of them have established their own evaluation systems.^{6/}

(i) The role of recipient Governments

22. Recipient Governments obviously have a high interest in and responsibility for evaluating the effectiveness of development activities, not only because of their own large own investments in UNDP-assisted projects but also because they want their scarce resources utilized in an optimal way. The Consensus defines the basic role of Governments in the evaluation exercise. Later, the new dimensions adopted by the Governing Council in 1975 emphasized the promotion of self-reliance, concern with outputs, increasing government responsibility for executing UNDP-assisted projects, and evaluation by Governments.

23. Few Governments of developing countries have thus far created strong central evaluation units which would permit them to draw full benefit from participation in evaluation exercises, although some have begun to take active steps to strengthen their capacity to evaluate. Factual information in this regard is somewhat incomplete, although in 1981 the United States Agency for International Development (USAID) compiled a provisional list of government evaluation authorities in both developed and developing countries. However, a list alone cannot fully illuminate the nature and scope of the participation of Governments in evaluating UNDP-assisted projects, and such participation is more often through the collaborating ministry than through whatever central office may exist. UNDP is currently completing the list and expanding the information on the strength and functions of relevant evaluation authorities.

24. The Capacity Study referred to a desire by Governments for assistance in developing their evaluation capacity. However, only very few projects of this nature have been specifically requested of UNDP, although the development of evaluation capacity does form a part of some projects in the field of development planning. JIU is currently completing a study on the role of the United Nations system in helping to strengthen Governments' capacity for evaluation. The study notes that in the past most evaluations have been "donor-oriented", but that Governments and development organizations have become increasingly concerned that development resources be used to their maximum effect. It recommends that the United Nations system in general, and UNDP in particular, should do everything possible to encourage Governments to develop their capacity for evaluating development projects, including those assisted by the United Nations system, and points out that active participation by Governments in the evaluation of UNDP-assisted projects can be extremely important in helping them to develop this capacity.

/...

25. In practice, the nature of Governments' participation in evaluation varies. It is relatively intense during tripartite reviews, in which the collaborating Government ministry, and often the planning ministry, participate actively. Usually a Government representative presides over these reviews. In the case of in-depth project evaluations, Government officials have, in some cases, been nominated as full members of the evaluation team and, as such, subscribed to its report. More frequently Governments do not nominate an official as a full member of the evaluation team, preferring to associate themselves with the evaluation work in a consultative capacity only by providing information and opinions to the UNDP and agency members of the evaluation team. In thematic evaluations, the experience with Government participation has been similar, ranging from full membership of Government officials or experts on the team to a mere advisory role.

26. Little experience has yet been acquired in evaluating projects executed by Governments themselves. It is assumed, however, that this type of evaluation will also normally be carried out on a tripartite basis by UNDP, the Government concerned, and the appropriate specialized agency, the latter providing a technical input by nominating participants in the evaluation team.

(ii) The role of the executing agencies

27. In keeping with the tripartite nature of UNDP assistance, the executing agencies concerned participate fully in monitoring and evaluation carried out under the Programme. Continuous monitoring, reinforced by formal periodic tripartite reviews, is considered to be one of the major responsibilities of the executing agency and of the Government in the management of a project. The UNDP Resident Representative, who is not responsible for the project's operations, participates in these exercises. Tripartite reviews are now mandatory once a year for each project having a budget which equals or exceeds \$400,000 (including cost sharing)²⁷ while for smaller projects formal reviews are only held when justified or requested.

28. The participation of the executing agency in evaluations of individual projects can come from the technical division of the agency's headquarters, its operational divisions or from its evaluation unit, provided the participants were not directly concerned with the formulation and implementation of the project, although this rule for the composition of evaluation teams has not always been observed. Project staff is invariably excluded from membership in the evaluation team and the executing agency frequently nominates a technical consultant as a member of the evaluation team.

29. In addition to participating in the evaluation of UNDP-assisted projects, agencies, particularly the larger ones such as the Food and Agriculture Organization (FAO), the United Nations Educational, Scientific and Cultural Organization (UNESCO), the World Health Organization (WHO), the International Labour Organisation (ILO) and the United Nations Industrial Development Organization (UNIDO) have developed their own evaluation units or have appointed evaluation officers at their headquarters. They have developed evaluation procedures which apply to all field projects executed by the agency regardless of the source of funding, and which often include "self-evaluation" as well as independent evaluations by persons not directly concerned with the formulation and implementation of the project. This approach is consistent

with the agencies' basic responsibilities for project execution and also in line with the requirements of UNDP. Further progress in this direction is welcome and should lead to the harmonization of project evaluation throughout the system.

30. In the case of thematic evaluations, the participation of the agencies has usually been the responsibility of their respective central evaluation offices which, during the course of the study, consult with the agencies' operational and technical divisions as necessary.

(iii) The role of UNDP

31. In view of the highly decentralized nature of UNDP operations, the responsibility for project evaluation (as well as the supervision of monitoring) rests with the field establishment, the Regional Bureaux (including the Unit for Europe), and the Division for Global and Interregional Projects at UNDP headquarters. In addition, the special-purpose funds under the authority of the Administrator are responsible for the evaluation of their projects. There is at present no unit that deals exclusively with evaluation; rather, some central evaluation functions are performed by BPPE, especially through its Division for Programme Development, Support and Evaluation. BPPE participates in project evaluations only at the request of the Regional Bureaux or other operational units concerned.

32. Present instructions provide for a number of reports that must be prepared during the life of a project ^{8/} and which facilitate project evaluations by providing data or evaluations of their own. Most frequent are the periodic progress reports of the project co-ordinator (semi-annual) and reports on tripartite reviews.^{9/} Near the end of a project, a terminal report by the project co-ordinator or the executing agency and a terminal assessment report by the Resident Representative must be presented.^{10/} No reporting is required after a project has been completed.

33. Project evaluations, often referred to as in-depth evaluations because they go beyond the annual tripartite reviews, can be undertaken at any time during the life of a project. While the initiative for such evaluations may come from any of the three parties, in practice it is usually the Resident Representative, the Regional Bureau or other operational unit at UNDP headquarters that requests them. In recent years the Regional Bureaux have made considerable efforts to improve the rigor and timeliness of tripartite reviews and in-depth evaluations. A revision of the instructions concerning tripartite reviews, introduced in 1982, requires that the reviews should contain an explicit recommendation as to whether or not an in-depth evaluation is needed, and the Resident Representative is obliged to comment or elaborate on this recommendation. Regularly, an evaluation must be built into the project document and budget at the design stage whenever (a) the budgeted UNDP contribution (including cost sharing) exceeds \$1 million or (b) the project is innovative, critical, particularly complex or has other special or unusual features. In addition, an evaluation is to be incorporated into a revised project budget whenever a contemplated substantive revision of a project puts the UNDP contribution over \$1 million or requires additional UNDP inputs costing \$400,000 or more.

/...

34. Special measures are taken in those cases where projects last longer than originally planned. Any project that exceeds the originally planned duration by two years must be subjected to an intensive project review. While a project can be extended for up to two years in order to achieve its original objectives, any project which has been operational for seven years must also be subjected to a project review.^{11/} A project review in this context may be a desk review, a tripartite review or an evaluation.

35. Besides individual project evaluations and tripartite reviews, which constitute the greater part of UNDP evaluation work, thematic evaluations are another important activity. As noted in paragraph 20 above, the responsibility for conducting thematic evaluations rests with BPPE, although they are carried out in close collaboration with the executing agencies and Governments. The Regional Bureaux and other headquarters units, as well as the Resident Representatives, are invited to assist in the preparatory and field mission phases of such exercises. The intention is to distil the practical experience gained at the field level in several countries, thus providing lessons from global experience and a flow of new ideas into the programming and project cycles.

36. The present joint UNDP/agency thematic evaluation programme consists of a number of individual studies on selected sectoral issues. The evaluations are conducted jointly with the agencies and are planned over a two- to three-year time-frame. Such a relatively long forward-planning period has been adopted to allow UNDP and its partners to select the topics to be evaluated through a process of consultations, and to enable them to incorporate the financial and staffing implications of agreed studies into their own programmes and budgets; to provide sufficient lead time to define jointly the precise purpose and scope of each study in the programme, and to permit agreement on the methodology to be employed.

37. The individual studies are conducted in stages. The preparatory stage is the definition of the precise purpose and scope of the study, the determination of the methodology to be employed, and the spelling out of the organizational and financial implications within the framework of the terms of reference. The second stage is a desk review in which issues to be concentrated upon and investigated are identified in detail. Whenever possible, a review of the literature and similar experiences elsewhere within and outside the United Nations system is conducted; projects falling within the precise scope of the study are identified; project profiles are prepared; the scope of the study progressively is narrowed down; project samples for in-depth evaluation are selected; and preparatory work for field visits is completed. As a result of this exercise, the final terms of reference and a workplan are drawn up. The third stage consists of a series of field visits to a selected number of countries, usually between six and ten. The field visits are carried out by teams of two to four persons, including outside consultants, for periods ranging from one to three weeks. Staff members not associated with operational responsibility for the projects are often included. A report is prepared on each country visited, which is used as an input in the preparation of the final report. In certain cases, field visits may be substituted or complemented by the contracting of national institutions or individuals to undertake the case study in any given country. The final stage is the synthesizing of the findings, conclusions and recommendations in the form of a final report.

38. Results of thematic evaluations are disseminated by means of the publication of the evaluation reports, each of which contains recommendations based on the conclusions of the study and which should be taken into account in programming, project design and implementation. Additionally, in most cases, programme advisory notes are issued summarizing the recommendations in a readily usable form for field staff. These notes are usually drafted by the agency concerned. Material based on the thematic evaluation studies is also incorporated in the training courses which are held for UNDP field and headquarters staff.

IV. PROPOSALS FOR IMPROVEMENT OF THE EVALUATION SYSTEM IN UNDP

39. Increasing concern has been expressed in the Governing Council and elsewhere in recent years about the quality of the technical co-operation financed by UNDP, and the Governing Council has expressed the wish to be better informed on the results of the Programme, in particular on the effectiveness and impact of its activities. Similar points have been advanced by JIU in its series of reports dealing with evaluation of the United Nations system's operational activities.

40. At the twenty-ninth session of the Governing Council, a number of Governments felt that the effectiveness of UNDP should be enhanced and that the role of the Council in the review of the Programme should be strengthened. It was pointed out that improved evaluation of the Programme's activities would contribute to this end and could improve not only the Programme's public image but even strengthen its identity. Therefore, the suggestion of the Administrator to seek ways of improving the UNDP evaluation system was welcomed. At the same time, a caveat was sounded in the Council against the direct involvement of members in the evaluation efforts of UNDP, and a preference expressed for relying on the Administrator's accountability, including his responsibility for reporting on the effectiveness of the Programme. The Interessional Committee of the Whole, in its agenda, considered that arrangements for the evaluation of the results and the effectiveness of the Programme were among those other matters that would have a bearing on resource mobilization and on the effectiveness of the work of the Governing Council.

41. Since 1977, JIU has been active in stimulating improvement in evaluation systems and methodology throughout the United Nations system and in promoting collaboration among the different organizations and agencies in order to arrive at commonly accepted standards and methods. It has organized informal interagency meetings which are usually attended by those responsible for evaluation within the respective organizations. In 1981, JIU reported (documents JIU/REP/81/5 and JIU/REP/81/6) on the status of evaluation in the United Nations system. With respect to UNDP, the principal conclusion was that UNDP was in a unique position to provide strong leadership within the United Nations system in evaluation and that, while the Programme had done much to improve its evaluation activities during the past five years, a great deal more was required, particularly in improving the methodology of its evaluation, increasing its coverage, and in providing feedback on the findings of UNDP evaluation work for the improvement of current and future operations.

/...

42. In the latter part of 1982, JIU undertook a further study of the status of evaluation within UNDP (conclusions to be incorporated when available).

43. Based on the foregoing analysis and on arguments advanced in the Governing Council by both individual Governments and agencies, as well as JIU, the Administrator suggests that improvements in the evaluation system of UNDP, including the special-purpose funds and activities under his authority, should be sought along the following lines:

(a) Re-examine UNDP requirements for monitoring and evaluation with a view to facilitating compliance with them, including the development of more detailed methodological guidelines for the conduct of tripartite reviews and of project evaluations; furthermore, examine what organizational measures should be taken to review and improve compliance with the reporting requirements and to ensure that results of evaluations are systematically fed back into operations;

(b) Improve the integration of the design, appraisal and evaluation aspects of the project cycle;

(c) Improve the evaluation of projects by holding a special tripartite terminal assessment review for the purpose of discussing the project's achievements and approving the terminal report;

(d) Introduce ex post evaluation of projects on a selective basis in order to examine the long-term impact of UNDP-assisted projects and to discuss the necessary follow-up with the Government;

(e) Regularly assess the results of tripartite reviews, of individual project evaluations and of terminal assessments and compile an annual report containing conclusions drawn from them;

(f) Broaden the framework of thematic evaluations with a view to including evaluations of processes, institutions and country programmes, as well as special studies of topics of current interest;

(g) Expand systematic training of all operational staff in the conduct and utilization of evaluations;

(h) Ensure, in close collaboration with the agencies and JIU, that evaluation in the United Nations system is developed harmoniously and that unnecessary duplication of efforts is avoided;

(i) Assist recipient Governments to enhance their capacity for evaluation;

(j) Disseminate the results of evaluations to provide better substantive information on the Programme to Governments, legislative bodies and the public.

44. The above improvements present a complex programme and will require a major effort throughout the United Nations system. The rate at which they can be introduced will depend upon the human and financial resources which can be devoted to the work. This is especially true of items (d) through (g). It is therefore to be expected that improvements will have to be undertaken in stages which may last over several years.

A. Procedures and organization of monitoring, tripartite reviews and evaluation, including feedback of results

45. Present procedures for monitoring and evaluation in UNDP were established in 1975 and 1978. While they provide the general framework described above, they have not been made fully operational. The specific guidelines for their application have never been issued. In addition, the wording of the present instructions is somewhat general and open to interpretation. This is especially true of the tripartite reviews and their relationship to monitoring on the one hand, and to evaluation on the other. As a result, compliance, both quantitatively and qualitatively, has been generally inadequate. Although a large number of evaluations have been carried out, JIU has observed that these represented only a third of the number called for. A revision of the present instructions is therefore necessary. It is especially important to make the wording more straight forward and clear, to supplement them with detailed guidelines describing the arrangements for evaluation exercises, and to define the minimum contents of tripartite reviews, evaluations and terminal assessments. It is obvious that such work must be done in close collaboration with the executing agencies, some of which have already established detailed guidelines of their own. This is necessary not only because of the agencies' responsibility for executing UNDP-assisted projects, but also to avoid the development of conflicting evaluation rules and practices in the United Nations system for projects financed from different sources.

46. Revising the instructions will not in itself change evaluation practices. Any improvement will require a major organizational effort on the part of the agencies and UNDP. On the one hand, the procedures should be realistic in terms of the manpower capacity of the three partners responsible for evaluation.^{12/} On the other, it will be necessary for UNDP headquarters and for the field offices to control closely and continuously the performance on tripartite reviews and evaluations. Given the large number of projects that would come under review each year, even if the only criterion applied were size and if each project were to be thoroughly evaluated only once in its lifetime, it would still be necessary to put evaluation on a better organizational footing. This would mean that in a number of field offices (about half a dozen, mostly in Asia) an evaluation officer should be identified. Each Regional Bureau should also designate, from its existing programme support staff, a full-time evaluation officer to supervise evaluation in the field and of intercountry projects. These officers could also assume the function of advising operational staff regarding the required standards of project design and appraisal. Similar arrangements would have to apply to the special-purpose funds under the authority of the Administrator.

47. So far, no adequate machinery has been developed for the feedback of the results of tripartite reviews and in-depth evaluations of individual projects, which usually remain within the confines of the project itself, the field office or, at best, the Regional Bureau concerned. It will therefore be necessary not only to revise the evaluation guidelines and instructions and ensure compliance with them, but also to introduce a rigorous feedback system that will guarantee that the results of evaluations are properly analyzed and taken into account by all three partners, who bear a joint responsibility for proper project design and implementation. One essential step will be to use fully the potential of the UNDP Programme and

Project Management System (PPMS) for storing, controlling and retrieving all information on the submission and timeliness of reports which contain evaluation material. Among the additional measures which might be adopted, if resources permit, are the holding of workshops for UNDP area and programme officers on the annual assessments proposed in section E below and on individual thematic evaluation studies; discussions with the executing agencies to decide on action needed for follow-up of recommendations; and the identification of focal points in UNDP and/or the agencies to monitor the implementation of the feedback measures. The suggested network of evaluation officers in the Regional Bureaux, the special purpose funds and the field offices would have a pivotal role to play in the application of the findings.

B. Better integration of design, appraisal and evaluation aspects of the project cycle

48. In accordance with the UNDP mandate for technical co-operation, project design and implementation must focus on the outputs and objectives of the project and define them in such ways that projects actually can be evaluated. Too often in the past, the focus has tended to be on input delivery, financial management and the attainment of objectives that were defined only vaguely. One of the most consistent findings of recent evaluation work on UNDP activities is that project design is often deficient and frequently does not provide an adequate basis for the measurement of project achievements. Inadequate design also necessitates a costly and difficult process of reconstruction and rationalization of the presumed characteristics of the project and inevitably introduces a lack of precision in the evaluation. A revised and simplified format for project documents, which places greater emphasis on expressing the outputs and objectives of the project in verifiable terms, has therefore been developed and is now being tested extensively in the field.

49. It is hoped that the new project document format will contribute to improved project design. To ensure that account is taken of evaluations requirements already at the stage of project design, the following measures are necessary:

(a) Examination of project design guidelines to ensure that the project document reflects the need for evaluation and that project reporting generates the data needed for evaluation;

/...

(b) Training of staff of agencies, Governments and UNDP to ensure that design and appraisal rules are understood in their relationship to evaluation;

(c) Selective checks on the proper application of these principles during the appraisal stage, including vigorous feedback action to ensure proper design and appraisal.

C. Tripartite terminal assessment reviews

50. To ensure that terminal evaluation is acknowledged by operational staff as one of the major milestones of the project cycle, it will be necessary to hold formal tripartite terminal assessment reviews. These reviews will be subject to the same procedures as the tripartite reviews (as revised in 1982) and will replace the present final tripartite review. Their objective will be not only to examine the project's achievements and the reasons for its successes and failures, but also to take note of the Resident Representative's terminal assessment report (Policies and Procedures Manual section 3715) and to approve the draft of the terminal report on the project (Policies and Procedures Manual section 3714). Such an arrangement will serve to facilitate the efforts which need to be made to remedy existing deficiencies in the terminal reporting system, both with respect to the quality of these reports and the long delays in their submission.

D. Introduction of ex post project evaluations

51. In the past no provision was made for regular project evaluations to be carried out at an appropriate interval after completion of the project. Since the real impact and viability of an activity can often be grasped only after some time has elapsed, the design of projects will be defective if such long-term effects cannot be specified through ex post evaluation and then taken into account. In addition, improvements in a project's environment may be necessary, including additional assistance, in order to ensure the full attainment of the original objectives. It is therefore proposed to introduce, on a selective basis, regular ex post evaluations. The criteria used might be the size of the project or other characteristics such as type (e.g. institution-building), complexity, innovative features, etc. Such evaluations, in addition to providing information on the conditions under which projects are successful, could also aid the Resident Representatives in discharging their responsibility for post-project monitoring, as well as in providing Governments with an important instrument for their own decision-making regarding follow-up to the project and the programming of UNDP assistance. The Governing Council has already established one such precedent for ex post evaluations by requesting the Administrator to assess the effect and maintenance of equipment deliveries after the completion of certain projects.^{13/}

E. Annual assessment of the results of tripartite reviews and evaluation

52. As indicated in the introduction, the results of project evaluations remain to a large extent within the confines of the particular project, and their major influence is on the implementation or follow-up of that project. Much of the knowledge drawn from UNDP project evaluations has remained under-utilized in terms of improving similar projects in other countries, regions or even agencies. A greater effort is needed to ensure that the results and lessons learned from project evaluations, as well as those from thematic evaluations, are systematically transmitted to staff engaged in designing, appraising and implementing projects, whether in Governments, executing agencies or UNDP. Since much of the material is not readily accessible, due to its specialized and highly technical nature, it is proposed to prepare annually a report on assessment of the results of evaluation exercises, including terminal assessments. Depending on the work-load, such a report might be comprehensive or based on a representative sample. It would highlight important features and lessons to be drawn, both for the project and for programming in general. It would also be an effective tool for monitoring the performance of the project evaluation system in general, provide important information at an early stage on the shortcomings of the Programme, indicate the need for additional information, and provide valuable insights for the Governing Council. The report might also include the results of individual evaluations in a compressed form (evaluation fact sheets), with due regard to the confidentiality of the project evaluation reports.

F. Broadening the framework of thematic evaluations

53. In the recent past, thematic evaluations have mainly concentrated on sectoral or sub-sectoral issues. Only a few analyses of processes or modalities of co-operation, such as government execution, have been undertaken (paragraphs 35-38). The impact of thematic evaluations could be strengthened by subjecting other elements of the Programme to such scrutiny, e.g. institutional aspects or issues raised during the course of the proposed annual assessments of the results of evaluations. In addition, the performance of the Programme at the country, regional or global level might be examined systematically, notwithstanding the special difficulty in analyzing the complex causal relationships at the country level.^{14/}

G. Systematic staff training in evaluation

54. In addition to the drafting of explicit guidelines and the introduction of an efficient dissemination and feedback system, it will be necessary to initiate comprehensive training for staff at headquarters and in the field in order to ensure a full understanding of the new provisions, and to facilitate compliance with the instructions. Training activities might include the communication of the results of specific evaluation efforts, such as thematic evaluations, in order to facilitate their feedback into operations. Preferably, these measures would be undertaken, wherever possible, jointly with the executing agencies to ensure that staff in both UNDP and the agencies utilize similar materials and approaches.^{15/} Such training should address both the needs of headquarters and field staff and would initially be directed at officers responsible for conducting or supervising the evaluation effort.

H. Collaboration with the agencies

55. It has frequently been pointed out that collaboration with the executing agencies is an essential feature of the Programme. This applies equally to monitoring and evaluation, the tripartite character of which is not disputed. However, in thinking and in actual practice, the United Nations organizations have developed in recent years evaluation systems more or less independently of each other. This has been noted by JIU and, indeed, a large part of the work of JIU since 1977 has been concerned with overcoming this

deficiency and with developing a common terminology and basic guidelines for evaluation to be applied throughout the United Nations system. While it is acknowledged that evaluation will always have to take into account specific sectoral requirements, types of projects and countries, and other factors, there is still much scope for further harmonization of thinking on and practices of evaluation. This would not only be in line with resolutions of the General Assembly, which call for further streamlining and harmonizing of operational activities throughout the United Nations system, but would also respond to the pressing need for unified evaluation practices to be applied to UNDP-assisted projects. The Administrator will therefore suggest that an informal interagency working group on evaluation be established, as proposed by the JIU workshop on evaluation held in March-April 1982. The work of this group could involve both the revision of the present instructions and guidelines (as proposed in section A above) as well as the further development of the evaluation systems of UNDP and the executing agencies along the lines suggested by the General Assembly and by JIU. Agencies have already indicated their willingness to work closely with UNDP in the revision of evaluation guidelines.

I. Co-operation with recipient Governments in evaluation efforts

56. UNDP and the agencies can take a number of steps to encourage and assist Governments to improve their own evaluation capacities including, inter alia, ensuring maximum opportunities for participation by Governments in agency evaluation work; maximizing the use of national and regional organizations for this purpose; being alert to opportunities for technical co-operation to strengthen evaluation; including proper provision for monitoring and evaluation in government-executed projects; and sharing information on monitoring and evaluation experience with Governments. Specific projects could be initiated at the request of Governments for the express purpose of assisting them to establish and strengthen their evaluation units and for training in evaluation methodology. UNDP is fully prepared to respond positively to this need, although the shortage of experienced expertise in this area may present difficulties in the implementation of such projects.

J. Systematic Information of the Governing Council

57. Evaluation results have in the recent past been presented to the Governing Council only to a limited extent. Thematic evaluations have been transmitted in the form of summaries and have found increasing attention in the Council; they have also been published in full length and disseminated widely. Reports on individual evaluations have, as a general rule, not been

/...

sent to the Council, largely because of the work-load and documentation this would require, and because of the volume of work involved in the preparation by the UNDP secretariat of more than a hundred reports per year. Moreover, the UNDP Policies and Procedures Manual requires the clearance of the recipient Government whenever project evaluation reports are to be made available to the Council. However, it would be possible to provide the Council, on a regular basis, with summaries of project evaluations carried out during the preceding period. This could be done in conjunction with the annual assessment report suggested in paragraph 52 or as separate information in the form of evaluation fact sheets. Furthermore, special studies could be provided at the specific request of the Governing Council for additional or comprehensive information on important issues concerning the Programme as a whole.

V. ORGANIZATIONAL ARRANGEMENTS FOR THE IMPROVEMENT OF THE EVALUATION SYSTEM IN UNDP

58. The manifold improvements proposed above as substantive changes in the present system of evaluation could be introduced in different organizational forms. One of them would be to leave the present structure intact but strengthen it so that it could assume the additional functions mentioned in the preceding chapter. Another solution would be to create a central evaluation unit under the authority of the Administrator.

59. The question of whether merely to strengthen the present organizational set-up or to create a new unit can best be answered by an analysis of the proposed additional functions described in chapter IV. The first three proposals require no organizational changes, except enhancing the evaluation function in the Regional Bureaux and the field in order to improve compliance with the instructions in the Policies and Procedures Manual. The revision and future review of the instructions could be undertaken by BPPE without any changes in staffing or organization. Other proposals made, i.e. annual assessments, broadening of thematic evaluations, staff training, collaboration with agencies and dissemination of results, are essentially central functions and, at the same time, constitute a large additional workload. They would require considerable strengthening of the division responsible for evaluation. Other areas of improvement such as ex post evaluations or co-operation with recipient governments in evaluation could be handled either in a centralized or a decentralized manner.

60. The main difficulty in merely strengthening the present organizational structure might be that evaluation work would remain a part-time function for the staff involved. Given their multiple responsibilities, there might be a tendency for the more immediate operationally-oriented activities (i.e. project appraisal and technical problem-solving) to take precedence over evaluation. In addition, preserving the present structure might not enhance the role of evaluation within the organization as much as a more conspicuous organizational change. Indeed, much of the discussion at the twenty-ninth session of the Governing Council referred to a more drastic change, namely the concept of an independent evaluation unit. Although this was not very explicitly stated in the Council's debates, some members of the Council appeared to assume that a central evaluation unit

/...

should report directly to the Governing Council. Others, who also supported a change, emphasized that evaluation must be a co-operative effort with the recipient Governments and with the executing agencies. They considered that the structure of the Council would not permit it to deal effectively with the management of an evaluation unit and with its reports and hence that a central evaluation unit should be under the authority

of the Administrator, in accordance with the Administrator's accountability for the management of the whole Programme. Yet the Council could, as is demonstrated in chapter VII below, utilize such existing institutions as the Board of Auditors or JIU to receive substantive reports on selected aspects of the Programme. It could furthermore create a unit of its own which could work in a fashion similar to that of JIU, more or less applying its statute.

61. Placing the evaluation unit under the authority of the Administrator would have the advantage of directly utilizing its work for the current management of the Programme. This need not jeopardize an independent judgement of the Programme's effectiveness. Regarding the latter aspect, it is obvious that the Administrator must, given his accountability for the quality of the Programme, have at his disposal an evaluation machinery that is in a position to carry out its task with objectivity and to inform him and, through him, the Governing Council about the effectiveness and impact of the Programme, the reasons for its successes and failures, and the lessons which can be drawn to improve performance in the future. It should not be subject to pressures from within or without the system, whether they come from institutions or units having operational responsibilities, or whether they arise on political or personal grounds. It should neither succumb to camouflaging deficiencies nor provide pretexts to avoid responsibility. Its independence would be assured by a strict separation of the central evaluation function from any direct involvement in operational responsibilities, i.e. the preparation and running of programmes and projects whether in headquarters or in the field.^{16/} One further way of safeguarding the unit's independence would be for the Administrator formally to appoint the head of the unit on the premise that he can be relieved of this function only by the Administrator himself. Based on these considerations, the Administrator supports the view that a central unit for evaluation as part of the central policy bureau can indeed be independent in its judgement, as is the case in a number of bilateral and multilateral co-operation institutions or agencies.

62. While a central evaluation unit would give the opportunity to focus exclusively on the evaluation function, such an arrangement should not preclude the participation, at all levels, of the staff of UNDP, the agencies and the Governments in the evaluation of UNDP-assisted activities. To the contrary, in order to make evaluation as much a management tool as possible and to use its full potential to improve the effectiveness of the Programme, it should be associated as closely as possible with those who have the practical responsibility for running the Programme from day to day. Only if the Regional Bureaux and the special purpose funds under the authority of the Administrator are involved with the work of a central unit on evaluation will they appreciate and internalize its critical contributions to their work. This association with the operational sphere would facilitate the feedback of evaluation results and their effective utilization by means of the measures described in the preceding section. Judging from organizational arrangements

/...

in multilateral and bilateral assistance agencies, it seems that in most of them the solutions sought in organizing the evaluation function were more in favour of associating the function closely with, rather than separating it from, operational units.

63. Closeness to the problems of the daily operation would also facilitate collaboration with agencies on all issues of evaluation and thus improve the coherence of the United Nations system. It seems that the larger executing agencies, as the ones having the longest experience with the organization of the evaluation function, would prefer an organizational arrangement within UNDP that would resemble solutions that they have found, i.e. a central unit within the administration which is closely linked with operational units either through a network of evaluation officers or through similar arrangements.

VI. A CENTRAL EVALUATION UNIT

64. Taking into account the arguments advanced in the preceeding chapter on possible organizational arrangements for the improvement of the evaluation system in UNDP, the Administrator proposes to create a Central Evaluation Unit, the functions of which are described below. In line with the need described in paragraph 44 to phase in the measures for improvement, it is suggested that such a unit be built up gradually, i.e. over a period of two to three years.

65. In its final stage the unit would have the following functions:

(a) Development and monitoring of evaluation policy within UNDP:

(i) Recommend to the Administrator policies, procedures and methodology for all evaluation work within UNDP, including the special purpose funds under the authority of the Administrator, keep these under review and monitor the implementation of instructions issued by the Administrator to this effect;

(ii) Advise the units in UNDP responsible for project design and appraisal to ensure that they adequately take account of the need for evaluation and especially that they include satisfactory design elements such as baseline data and performance indicators to permit objective and systematic evaluation;

(iii) Assist the Regional Bureaux and the field offices as well as the special purpose funds under the authority of the Administrator on all issues involving the application of instructions on evaluation in practice;

(b) Analysis and improvement of the effectiveness of the Programme and the special purpose funds under the authority of the Administrator:

(i) Undertake ex post effectiveness and impact evaluations of selected UNDP-assisted projects;

/...

(ii) Make an annual assessment of the results of evaluation exercises and draw common conclusions which can be used to improve future operations both at the project and programme levels;

(iii) Undertake effectiveness and impact-oriented thematic evaluations in selected sectors or sub-sectors and conduct evaluations of the modalities and instruments applied by UNDP, as well as of institutional aspects of the Programme, including the functioning of the special purpose funds under the Administrator's responsibility;

(iv) Collaborate with the operational units and the Training Unit in UNDP to ensure that the results of evaluations are transmitted to staff at all levels in the organization and that proper training measures are undertaken to ensure that the staff is well informed about all aspects of the evaluation system and the utilization of its results;

(c) Collaboration with agencies and Governments on evaluation policies:

(i) Collaborate with the executing agencies and JIU in harmonizing evaluation rules and practices within the United Nations system, including consultations on their application;

(ii) Assist the Regional Bureaux in UNDP and the executing agencies in extending assistance to developing countries to enhance their capacity for evaluation;

(d) Reporting on the effectiveness of the Programme: assist the Division of Information, the Division for External Relations and other units in UNDP in the systematic utilization of evaluation results to provide substantive information on the Programme's effectiveness and impact to Governments and the general public.

66. Tripartite reviews and evaluations of ongoing projects would continue to be conducted under the leadership of the Regional Bureaux and other operational units, with participation as appropriate by technical advisers in BPPE or consultants.

67. The Central Evaluation Unit should have sufficient professional staff to accommodate fully the functions outlined above. An estimate based on the full implementation of the functions listed above leads to a workload of about ten work-years annually, assuming that ten ex post evaluations and seven thematic evaluations (or special studies) are undertaken. This volume would represent about 10 per cent of the total volume of staff time which UNDP would have to devote to tripartite reviews and project evaluations if it were to cope adequately with the need for evaluation. It seems that such a proportion for central evaluation work is in line with the average that can be found in other United Nations agencies (based on a comparison with total staff). It can be concluded that the central evaluation unit should ultimately have a

/...

professional staff of six, plus a director, together with provision for five years of consultancies annually. In addition to staff time and consultants' fees, funds will be required for travel and reporting. Given the above-mentioned volume of work, it is envisaged that an input in the order of \$350,000 for travel and \$150,000 for publishing the reports would be required annually. These projections would entail a total cost of \$1.5 million annually.^{17/}

68. It is suggested that such an evaluation unit should be built up gradually. Therefore, the burden on the budget would be much smaller in the first two years, possibly involving at the beginning a sum between \$700,000 and \$1 million a year and reaching the full level only by 1986. This includes the sum now spent for evaluation, therefore the net additional burden during the biennium 1984-1985 would be in the order of \$300,000 annually. In practical terms this would mean that the unit would at first have only a director and two or three professional staff, who would initially concentrate on the revision of the present evaluation system in collaboration with the agencies, and gradually add ex post evaluations, special studies and other functions until the unit is fully operational, as outlined above. Such a gradual growth would also facilitate future changes in the work of the unit which should be reviewed after some experience has been gained.

VII. EVALUATION DIRECTED BY THE GOVERNING COUNCIL

69. The Governing Council, in addition to evaluation performed within the organization, could utilize institutions already in place to provide independent and external advice to Governments. Two such institutions come to mind. One is the Board of Auditors, the other, JIU. It could further establish a unit of its own which could work according to the principles of JIU, as set out in the JIU statute.

70. The Board of Auditors, according to the Financial Regulations of UNDP, can make observations on the administration and management of the Programme and it can be requested to perform certain specific examinations and issue separate reports on their results (see regulations 12.5 and 12.7, quoted in the information annex of the UNDP Financial Regulations). The additional terms of reference governing external audit, which are annexed to the Financial Regulations of UNDP, provide that the auditors should bring to the attention of the Governing Council "wasteful or improper expenditure of the organization's money or other assets" and "expenditure not in conformity with the authority which governs it" (paragraph 6 (c), sub-items (ii) and (iii) of the additional terms of reference). According to regulation 17.1, the Administrator, in submitting the annual accounts to the Governing Council, shall comment on the auditors' substantive observations and on their follow-up. Examples of substantive audit reports dealing, inter alia, with the use of project equipment and with the management of field projects in the area of science and technology have been put before the last session of the Governing Council.^{18/}

71. The Governing Council might also make more use of JIU according to the statute given to it by the General Assembly, (in its resolution 31/192 of 22 December 1976). JIU has the broadest powers of investigation into all matters having a bearing on the efficiency of the services and the proper use of funds. Specifically, JIU may assist the Governing Council in carrying out its responsibilities for external evaluation of programmes and activities. It may, with full independence, make on-the-spot inquiries and investigations, some of them without prior notification, and is accorded access to any particular information or document relevant to its work. Its annual work programme shall take into account any requests of the Governing Council. The Administrator is bound to submit the JIU reports, with his comments, to the Governing Council within three months

of their receipt, for consideration at its next meeting. He is further bound to ensure that those recommendations of JIU, which have been approved by the Governing Council, are implemented as expeditiously as possible. Implementation of the recommendations are subject to verification through follow-up reports by the Unit, either on its own initiative or on request by the Governing Council.

72. If the Council feels that the existing institutions for independent and external advice are not sufficient to cover its needs, it may consider establishing a unit working directly for the Council. The unit need not be large, as it could, apart from its own original inquiries and investigations, draw on the data and evidence accumulated by the central evaluation unit which is described in chapters V and VI.^{19/} Its working method could take into account the experience of JIU and it could utilize parts of its statute, especially the chapters on functions, powers and responsibilities and on the mode of operation. One drawback of this proposal, as compared to a more intensive utilization of JIU, which is financed from the budget of the United Nations, would be the cost of setting up such a unit, which would have to be added to the cost of a central evaluation unit, as given in paragraphs 67 and 68 above. Moreover, the delineation of responsibilities between such a unit and JIU might raise some questions.

Notes

^{1/}UNDP Policies and Procedures Manual, section 3470, paragraph 1.0.

^{2/}This applies to both country and inter country project reviews, with the difference that the latter involve more than one Government.

^{3/}The term "external evaluation" has also been used in a somewhat different context, namely for evaluations conducted by political or other bodies outside the organization immediately responsible, e.g. by legislative bodies.

^{4/}It should be noted that methods, criteria and terminology for evaluation were not generally accepted within or outside the United Nations system at that time to the extent they now are.

/...

5/In practice, provision for evaluation is made in the project document.

6/JIU has devoted several of its reports since 1977 to the study of evaluation in the United Nations system. For a summary document see JIU/REP/81/5.

7/About 2,300 projects of this size are presently operational (i.e. have budgets for 1982 and later years).

8/Exceptions to this rule include "fellowships only" and operational assistance (OPAS) projects that do not warrant extensive reporting.

9/See paragraph 10 for additional details on project monitoring.

10/Formal terminal assessment reports are required for projects with a UNDP input of \$150,000 or more; in other cases, the Resident Representative is only required to comment on the project's results.

11/Five years are considered to be the maximum period for attaining originally intended project objectives.

12/An important step was taken in 1982 to limit regular evaluations to projects with a UNDP input of \$1 million or more (about 1,100 projects of this size were operational in 1982) and to evaluate other projects only when special circumstances warranted. This revised what was an impossible requirement, namely to evaluate all "large-scale" projects (defined as those with a UNDP input of \$150,000 and above).

13/Governing Council decision 82/4 and document DP/1982/3, paragraph 27(a).

14/Between 1969 and 1982, six evaluations were conducted of the experience with an entire UNDP-assisted programme in a country, i.e. in Colombia, Democratic Republic of Yemen, Iraq, Nigeria, Uganda, and most recently in the Sudan. JIU also undertook an examination of all United Nations system projects in Sri Lanka in 1979 (JIU/REP/16, Vols. I and II).

15/A successful precedent for joint training of UNDP and agency staff has been set through the recent series of seminars on investment follow-up measures, which were conducted jointly by UNDP and the Economic Development Institute of the World Bank.

16/There might be one exception to this rule, namely in preparing assistance to developing countries in the area of evaluation (see paragraph 56).

17/This compares with a sum of about \$ 500,000 spent annually on central evaluation at present.

18/See document DP/1982/60.

19/A case in point for such a symbiosis of two evaluation units is the Inter-American Development Bank, where in addition to an internal Operating Evaluation Office, an External Review and Evaluation Office has been set up which reports to the Board of the Bank. Similarly, the Operations Evaluation Department of the World Bank reports, through the Director-General, to the Board of Executive Directors and draws heavily on the highly developed internal evaluation system of the Bank. As the President of the Bank is the Chairman of the Board, the situation is not strictly comparable to UNDP, where the Administrator and the Governing Council are clearly separated constitutionally.
